

Message Text

CONFIDENTIAL

PAGE 01 CAIRO 17561 201808Z
ACTION NEA-10

INFO OCT-01 ISO-00 NSC-05 CIAE-00 TRSE-00 SS-15 SP-02 EB-07
INR-07 /047 W
----- 070075 /71S

R 201714Z DEC 76
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC 9902

C O N F I D E N T I A L CAIRO 17561

E.O. 11652: GDS
TAGS: EAID EFIN IMF EG
SUBJECT: ASSISTANCE TO EGYPT: DISCUSSIONS ON IMF STANDBY
INCONCLUSIVE

REF: CAIRO 17459

1. IMF REP GUNTER CALLED ECONCOUN DECEMBER 20 JUST PRIOR TO HIS DEPARTURE, WHICH IS TAKING PLACE ON SCHEDULE, TO REPORT ON RESULTS OF DISCUSSIONS WITH GOE ON CONCLUSION OF STANDBY AGREEMENT.

2. SPEAKING GUARDEDLY, IN VIEW OF PUBLIC NATURE OF THE CALL, GUNTER GAVE IMPRESSION THAT HE IS UNCERTAIN AS TO LIKELIHOOD THAT AGREEMENT CAN BE REACHED. HE SAID EGYPTIANS HAVE CHANGED THEIR POSITION SO MANY TIMES IN PAST FEW DAYS THAT HE IS NO LONGER CERTAIN WHAT IS AND WHAT IS NOT AGREED UPON. WITHOUT BEING SPECIFIC, HE SAID THAT NUMBER OF ITEMS UPON WHICH ALL DETAILS HAVE BEEN SETTLED ARE ONCE AGAIN UP IN THE AIR AS EGYPTIANS, IN LAST 24 HOURS, HAVE "PULLED BACK SHARPLY" FROM PREVIOUS COMMITMENTS. IMF HAD ATTEMPTED TO PUT TOGETHER A LIST OF REQUIREMENTS ON BASIS OF WHAT EGYPTIANS HAD EARLIER SAID THEY COULD DO, BUT THEIR VIEWS SEEM TO HAVE CHANGED MARKEDLY.

3. GUNTER HAS IMPRESSION THAT THERE IS DIVISION WITHIN ECO-
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 CAIRO 17561 201808Z

NOMIC GROUP (EG) HEADED BY KAISOUNI, MINPLAN EL IMAN, IN GUNTER'S OPINION, DISAGREES RATHER STRONGLY WITH SOME OF PROPOSALS PUT FORWARD BY EG, AND HE IS NOT CERTAIN THAT KAISOUNI WILL BE ABLE TO CONTROL HIM. (WE HAD HEARD THAT MINTRADE/SUPPLY TEWFIK WAS IN DISAGREEMENT, BUT NOT EL IMAN).

4. COMMENT: GUNTER DID NOT SEEM OVERLY DEPRESSED AT LACK OF FORWARD MOTION, AND REPORTED THAT HE WOULD BE RETURNING IN JANUARY FOR SECOND ROUND OF TALKS AS PLANNED. HE HAS BECOME ACCUSTOMED TO EGYPTIAN VACILLATION ON THIS ISSUE AND EXPECTS THAT IT WILL TAKE ADDITIONAL TIME TO CONVINCE GOE OF NECESSITY FOR REFORMS. EMBASSY AGREES WITH THIS ASSESSMENT.

5. OVER LAST TWO DAYS, EGYPT PRESS HAS BEEN FILLED WITH VAGUE, CONFUSING AND SOMETIMES CONTRADICTORY INFORMATION AS TO STATUS OF FY 77 BUDGET. IN RESPONSE TO QUESTION AS TO WHERE THAT IMPORTANT ISSUE NOW STANDS, GUNDER SAID HE WAS QUITE CERTAIN EGYPTIANS NO LONGER KNOW THEMSELVES.
EILTS

NOTE BY OC/T: DISSEMINATION COORDINATED WITH MR. GOLDSMITH,
S/S-O.

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC DEVELOPMENT, ECONOMIC ASSISTANCE, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 20 DEC 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: KelleyW0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976CAIRO17561
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760467-0338
From: CAIRO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761226/aaaaavzi.tel
Line Count: 76
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 76 CAIRO 17459
Review Action: RELEASED, APPROVED
Review Authority: KelleyW0
Review Comment: n/a
Review Content Flags:
Review Date: 08 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <08 JUN 2004 by CunninFX>; APPROVED <28 OCT 2004 by KelleyW0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ASSISTANCE TO EGYPT: DISCUSSIONS ON IMF STANDBY INCONCLUSIVE
TAGS: EAID, EFIN, EG, IMF
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006